

ELECTRONIC TRANSFER OF ACCOUNT DATA

Objective:

Evaluate the potential of electronic transmission of data from 960 accounts to support Trade Marketing Programs.

Analysis:

The impacts and costs of electronic data transfer is driven by volume and connect time. Based on these parameters, the 960 accounts fall into two categories:

- Large users (top 100)
- Small Users (remaining 180)

The cost implications and options for each are as follows:

Large users (top 100) have two alternatives as follows:

Recurring Costs

	<u>Monthly</u>	<u>Annual</u>	<u>Non-Recurring</u>
1- Frame Relay	\$275,446	\$3,305,352	\$537,000
2 - Dedicated Access	\$256,295	\$3,075,540	\$459,000

Small users have three alternatives:

1 - 28.8 Dial Access terminating in Connect Mailbox	\$35,575	\$430,502	\$524,528
2 - AS400 Directory (Requires In-house Front End Program)	\$35,575	\$426,902	\$259,500
3 - AT&T IAS Frame Relay Dial Access	\$40,450	\$485,400	\$264,000

The total cost of both small and large accounts would approach \$3.5 million ongoing expense in addition to \$.7 million non-recurring.

The present method of data transfer utilizing tape/disk media is the most cost effective for RJRT and the Customer:

2000 tapes \$5/tape Postage \$30,000 annual

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